



PIPELINE SAFETY

2010 State Damage Prevention Grant

for

KANSAS CORPORATION COMMISSION

Please follow the directions listed below:

- 1. Review the entire document for completeness.
- 2. Review and have an authorized signatory sign page 2.
- 3. Fasten all pages with a paper or binder clip no staples please as this package will be scanned upon it's arrival at PHMSA.
- 4. Mail the entire document, including this cover page to the following:

ATTN: Karina Munoz
U.S. Department of Transportation
Pipeline & Hazardous Materials Safety Administration
Office of Contracts and Procurement
1200 New Jersey Avenue, SE Second Floor E22-228
Washington, D.C. 20590

FedSTAR Information

Submission Date: 8/5/2009 4:59:56 PM





Pipeline and Hazardous Materials Safety Administration 1200 New Jersey Avenue, SE Washington DC 20590

DEPARTMENT OF TRANSPORTATION

APPLICATION

2010 GRANT PROGRAM IN SUPPORT OF STATE DAMAGE PREVENTION

The KANSAS CORPORATION COMMISSION hereby applies to the Department of Transportation for Federal funds appropriated for the support of State Damage Prevention Programs established under 49 U.S.C. Section 60134 et seq.

The state agency plans to carry out the State Damage Prevention Program, during calendar year 2010, as described in Attachment 1, "Project Abstract/Statement of Objectives". To accomplish the program, the state agency proposes to expend funds as set forth in Attachment 4, "State Damage Prevention Estimated Budget".

Signature
Title
Date



Attachment 1 KANSAS CORPORATION COMMISSION Page 2



State Damage Prevention Elements

ELEMENT 1 - EFFECTIVE COMMUNICATIONS

"Participation by operators, excavators, and other stakeholders in the development and implementation of methods for establishing and maintaining effective communications between stakeholders from receipt of an excavation notification until successful completion of the excavation, as appropriate."

Does the proposed project address this element? (Required) No

Describe any existing state initiatives that support this element: (Required)

The main source of communications between stakeholders in Kansas is the call center operated by Kansas One Call, Inc. Kansas statutes allow only one call center and require utility operators to be members. To aid communication, Kansas statutes and regulations also specify:

Positive response for all locate requests.

Availability of excavator's contact information.

Recordkeeping for any pre-construction meeting that occurs between the excavator and locator.

Whitelining if requested by the operator.

Response to emergency locate requests within two hours of scheduled digging.

Restrict repeated requests for same excavation site.

No allowance for applying emergency status to a locate request that does not meet the definition of an emergency.

All of the above points were developed by the KCC with extensive input from the regulated community representing all stakeholders. In addition, the KCC has been instrumental in establishing a CGA regional group in the Kansas City area.

Kansas still has room for improvement with respect to Element 1. In 2009, water and sewer utilities were required to be members of One Call in Kansas; however, there is still a statutory exemption for nonjurisdictional gas gathering pipelines, and gas and oil production pipelines. There are also certain sectors of excavators that are exempt from requesting locates. These include all homeowners digging on their own property, any agricultural tillage practice, and excavators working in the gas and oil production industry. That being said, Kansas has no record of major underground utility damages that were the result of these exemptions. A database of all damages that occur in Kansas is being developed. The proposed data base is expected to allow the gathering of data that will assist in the accurate depiction of the cost-benefit of removing these exemptions from Kansas damage prevention laws.



ELEMENT 2 - COMPREHENSIVE STAKEHOLDER SUPPORT

"A process for fostering and ensuring the support and partnership of stakeholders, including excavators, operators, locators, designers, and local government in all phases of the program."

Does the proposed project address this element? (Required) No

Describe any existing state initiatives that support this element: (Required)

Kansas successfully meets the requirements of Element 2. Members of the Kansas Corporation Commission Staff participate in common ground alliance, regional common ground alliance, and the call center operating committee. KCC Staff regularly attends and participates in excavator awareness meetings that are sponsored by the Call center. Even those sectors of the utility operators that are not mandatory members of One Call, such as oil and gas operations, are consulted on a regular basis.

Within the last seven years, KCC staff has proposed legislative changes to the Kansas Underground Utility Damage Prevention Act four times. Each time, meetings with all interested stakeholders were convened to craft the proposed legislative changes. During CY 2009, the KCC has amended its One Call regulations to address the additional statutory requirement that water and wastewater utility operators participate in providing utility locates upon request. For the past two years, The Call center has been directed to provide KCC Staff contact information for all complaints or questions regarding damage prevention. In 2008, we began a formal process of logging each damage prevention inquiry through our Public Affairs and Consumer Protection division. In CY 2008, we fielded and resolved 93 inquiries from excavators and utility operators. Also in 2008, we began a series of "Excavator summit" meetings with the leaders in the excavator sector and their insurance companies to increase excavator participation in the damage prevention process. Additional improvement plans for element 2 are as follows:

Working through the Kansas City regional CGA chapter, begin the process of establishing a regional CGA chapter in Wichita.

ELEMENT 3 - OPERATOR INTERNAL PERFORMANCE MEASUREMENT

"A process for reviewing the adequacy of a pipeline operator's internal performance measures regarding persons performing locating services and quality assurance programs."

Does the proposed project address this element? (Required) No

Describe any existing state initiatives that support this element: (Required)

The KCC staff has required quality assurance programs for several operators based on complaints or investigations initiated by staff. For natural gas operators, these requirements have resulted in changes to the operator's operations and maintenance manual and are enforceable through pipeline safety regulations. Some of these changes include: requiring maps of sewer system to be on site while boring; use of listening device to investigate possible conflicts with sewer systems; prompt record changes to include newly installed facilities; and random inspections of locate quality by the operator. We have also required a large provider of underground electric service to develop and implement a damage prevention quality assurance program. Although we have been successful in improving quality assurance on an individual company basis, our understanding of the overall impact of our efforts is limited. To remedy this, the KCC passed regulations making reporting of damages mandatory for all operators that receive more than 2000 locate requests per year. All natural gas pipeline operators that meet this requirement are now using the Virtual DIRT site established by the KCC for data reporting. Improvement plans for Element 3 are as follows:

Work with CGA to establish a method of verifying Kansas operators that use the Virtual DIRT program to meet Kansas reporting requirements.

Use the analysis of the damage data to target certain regional areas or groups for damage prevention improvement.

Use the analysis of the damage data to focus the education efforts of the Commission and of the One Call center.

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ELEMENT 4 - EFFECTIVE EMPLOYEE TRAINING

"Participation by operators, excavators, and other stakeholders in the development and implementation of effective employee training programs to ensure that operators, the one call center, the enforcing agency, and the excavators have partnered to design and implement training for the employees of operators, excavators, and locators."

Does the proposed project address this element? (Required) No

Describe any existing state initiatives that support this element: (Required)

The KCC staff works closely with the one call center and other stakeholders in developing and assisting in damage prevention training. The KCC has promulgated regulations requiring any excavator that uses trenchless excavation techniques to have a training program for its operators. The requirement to call 911 has been in the Kansas statute for at least 10 years. Using the funds from the 2008 and 2009 state damage prevention grant award, the KCC staff has significantly increased the amount of face-to face contact with excavator employees. We have provided educational meetings ranging from informal "tail-gate" discussions to company executive presentations. With requirements enacted for water and wastewater utility operators becoming effective July 1, 2009, we have begun a program to train this sector of operators in techniques to manage their locate request load. To date, we have trained 150 operating personnel. Other staff inspectors regularly advise excavators and utility operators of the requirements of one call while performing pipeline safety inspections in the field. When formal enforcement becomes necessary, the KCC statutorily has the latitude to enter into consent decrees or to impose civil penalties up to a maximum of \$500,000. Improvement plans for Element 4 are as follows:

Use of the database cited in Element 3 to demonstrate to all stakeholders where educational efforts should be focused.

Because communication is such a vital link in the enforcement process, the proposed project will provide supplementary support for this element. At this time, we are focusing our budget on Element 7; however, we will track costs spent on education and training that are result of the enforcement activity and report those costs in the 2010 progress reports.

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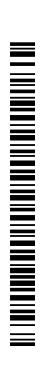
ELEMENT 5 - PUBLIC EDUCATION

"A process for fostering and ensuring active participation by all stakeholders in public education for damage prevention activities."

Does the proposed project address this element? (Required) No

Describe any existing state initiatives that support this element: (Required)

Kansas successfully meets the requirements of Element 5. The KCC Staff actively encourages all stakeholders to participate in damage prevention efforts. We have taken advantage of the mandatory use of 911 by partnering with the Johnson County emergency manager to be paged each time a damage of a natural gas line is reported. This practice has allowed a prompt response by the KCC damage prevention investigator in the Kansas City area. By participating in the Call center operating committee, the KCC staff works with the call center in developing training materials. Staff also participates in excavator awareness meetings held throughout the state. Our latest strategy is focused on demonstrating to the excavator community the benefits they can receive by being active participants in the CGA process. The main benefit we are focusing on is the mitigation of damage claims between the excavator and utility operator.



ELEMENT 6 - DISPUTE RESOLUTION

"A process for resolving disputes that defines the State authority's role as a partner and facilitator to resolve issues."

Does the proposed project address this element? (Required) No

Describe any existing state initiatives that support this element: (Required)

KCC Staff does not believe this is an area where significant improvement is needed in the Kansas program. At this time, the call center operating committee serves as an informal vehicle to voice concerns by all stakeholders, and it has a good track record of addressing those concerns. Kansas statutes assign a presumption of negligence to any party found to be in violation of the statute by the Commission. This benefit to the damaged party does not appear to be widely used in Kansas. Working through the Kansas City regional CGA and the call center operating committee, KCC staff is beginning to educate the excavation community on the protection of their rights under the One Call law and to provide tips on damage investigation and documentation. Improving this aspect of damage resolution is expected to result in an overall improvement in damage prevention. We have anecdotal evidence with one large excavator that indicates this approach resulted in an 80% decrease in the number of damages over a period of 18 months. Once the excavation community's investigative and documentation capabilities are on par with the utility operators, we plan to begin the process of establishing an arbitration board that would be open to parties that agreed to its use. At this time, the arbitration process is only partially supported by the utility operators. This project is expected to take up to four years to implement.



ELEMENT 7 - ENFORCEMENT

"Enforcement of State damage prevention laws and regulations for all aspects of the damage prevention process, including public education, and the use of civil penalties for violations assessable by the appropriate State authority."

Does the proposed project address this element? (Required) Yes

Describe any existing state initiatives that support this element: (Required)

The KCC is the state agency in Kansas assigned to administer all One Call laws. For this purpose, we have the ability to take enforcement action and issue civil penalties up to \$500,000. Kansas has successfully used the PHMSA sponsored One Call grant to partially fund a full time one call inspector in the Kansas City metropolitan area. Over the past 5 years, this position has repeatedly demonstrated the effectiveness of an enforcement presence that can take prompt action when a violation occurs. Using the State Damage Prevention grant, we are now developing a similar enforcement presence in the Wichita metropolitan area. Within the last quarter of 2008, KCC Staff has established a process to streamline the the use of civil fines for One Call violations. This approach of writing "traffic tickets" coupled with a stronger enforcement presence in the active excavation areas of the state should strongly assist the KCC in meeting the goals of Element 7. In 2009, the KCC amended its regulations to include a section that provides specific procedures to be followed by the KCC when taking enforcement action. By codifying these procedures as regulations, we are providing the regulated community with standardized enforcement procedures to be used in administering the law's requirements.

Describe how the proposed project will enhance or continue implementation of this element: (Required only if proposal addresses this element)

Kansas performance of Element 7 is the major focus of this grant application. Using the funds from this grant, we hope to continue the One Call enforcement presence of the KCC in the Wichita area and expand it to include counties adjacent to Wichita. We also expect to see an increase in the use of civil penalties for violations. Since beginning in 2008 as a pilot program, this effort is demonstrating the impact that aggressive enforcement can have on raising the awareness level of the excavator and utility operator.

A strong enforcement presence also presents opportunities to educate both excavators and utility operators on the requirements of the One Call laws. In this way, the enhancement of Element 7 also serves to improve our performance of Elements 1, 2, and 4. In order to demonstrate the supplemental effects of this grant opportunity on the related elements, we propose to track costs related to education and training efforts that occur as part of the enforcement process and provide those as separate line items in the 2010 grant's progress reports. We also propose to evaluate the effectiveness of our enforcement program by using the mandatory damage reporting requirements in effect in Kansas.

Using the Common Ground Alliance DIRT program and statistics generated by the field inspections, the KCC proposes to track the progress of enforcement activity in Kansas. By January 2011, we expect to evaluate the success of the enforcement program by trending the

ELEMENT 8 - TECHNOLOGY

"A process for fostering and promoting the use, by all appropriate stakeholders, of improving technologies that may enhance communications, underground pipeline locating capability, and gathering and analyzing information about the accuracy and effectiveness of locating programs."

Does the proposed project address this element? (Required) No

Describe any existing state initiatives that support this element: (Required)

Kansas successfully meets the requirements of Element 8. Although the KCC has little jurisdiction under which we can mandate use of technology to the call center, Kansas One Call, Inc. consistently applies cutting edge technology to its operations. The use of GPS coordinates has been available and promoted for several years. Web ticket entry is strongly encouraged by the call center, and it is the fastest growing segment of notification in Kansas. Kansas One Call has also provided the KCC access to its locate ticket database which provides real time access to locate requests. It has been an invaluable tool for investigating and resolving conflicts between excavators and utility operators. The KCC was instrumental in obtaining a T-21 grant for the Kansas Rural Water Association to use in developing its GIS mapping capabilities. The mapping of rural water systems and small rural town utility infrastructures has become a very popular program for the KRWA. Regulatory requirements to visually observe directional drilling bore paths has made "dig safely" technology popular in Kansas. One area of improvement would be the use of mapping technology that could identify an excavation site by the call center with sub meter precision. This would allow concise operator notification and minimize over notification. At this time, we are waiting for this technology to be fully tested in pilot projects in other states.



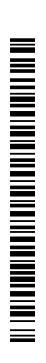
ELEMENT 9 - DAMAGE PREVENTION PROGRAM REVIEW

"A process for review and analysis of the effectiveness of each program element, including a means for implementing improvements identified by such program reviews."

Does the proposed project address this element? (Required) No

Describe any existing state initiatives that support this element: (Required)

Kansas performance of Element 9 is a work in progress. In 2007, the KCC promulgated regulations requiring the reporting of damages. We still believe the Virtual CGA DIRT program will be our most effective means of quantitatively evaluating our overall progress in preventing damage to underground utilities. The application process and progress reports for this grant also serves as a means of reviewing progress for each of the program's elements



Legislative/Regulatory Actions

Provide a description of any legislature or regulatory actions (including legislative/regulatory studies) taken by the State within the past five (5) years pertaining to damage prevention program improvement, even if those actions were not completely successful.

In 2002, SB490 amended the Kansas Underground Utility Damage Prevention Act, (KUUDPA), to give the Commission the authority to promulgate regulations for three specific areas:

- ? A definition of marking regarding the color assigned to each type of utility as well as how to define the tolerance zone;
- ? A requirement to establish guidelines for trenchless excavation practices; and
- ? the opportunity to establish enforcement remedies in rules and regulations

In 2005, the KCC worked with industry to prepare regulations that met the requirements of providing regulations for the three points outlined in SB 490 as well as providing guidance for other gray areas in the Act. We began the process of getting the regulations approved in the summer of 2005. However, the Attorney General's office informed us that we only had authority to promulgate regulations for the three points listed in SB 490. In 2006, SB 464 proposed to give the Commission the authority to promulgate rules and regulations for the KUUDPA. Status: Successful.

In 2007, HB 2127 proposed to add water and wastewater to the category of utility operators required to provide locates. Bill failed in Committee.

January 2008, regulations were promulgated in support of the KUUDPA; water and wastewater utilities were exempt from participating in KUUDPA.

In 2008, SB 20 proposed to add water and wastewater to the category of utility operators required to provide locates. Bill passed the Senate but failed in the House utilities committee. The contents of SB 20 were subsequently attached to a telecommunications bill, HB2637 which became law in July 2008. This amendment required water and wastewater to participate in KUUDPA by July 1, 2009.

In 2008, HB 2638 was proposed to require water and wastewater utilities to develop maps of all buried utilities over a period of time and install tracer wire with newly constructed utilities. Bill failed to pass house utilities committee.

In 2009, SB 58 proposed to clarify certain items in HB 2637 and limit the special treatment that was provided to operators of water utilities. Passed in the Senate but was defeated in the House utilities committee.

In 2009, SB 2240 proposed to remove the special status for Tier 3 operators of water utilities. Bill died in committee.

In 2009, the contents of the original HB 2115, a telecommunications bill, were amended by adding the contents of SB 58. This amended version of HB 2115 passed the senate and the house and is now held in conference committee.



In July 2009, amended regulations were enacted that addressed the issues related to water and wastewater becoming participants in One Call.

State Damage Prevention Application Attachments

Governors Ltr SDP Grant.pdf



SECTION C - NON-FEDERAL RESOURCES										
(a) Grant Program			(b) Applicant		(c) State		(d) Other Sources		(e)TOTALS	
8. State Damage Prevention Program		\$		\$		\$		\$		
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20. TOTAL (sum of lines 16 - 19)				\$		\$		\$		
SECTION F - OTHER BUDGET INFORMATION										
21. Direct Charges: 22. Indirect Charges:										
23. Remarks:										

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Standard Form 424A (Rev. 7- 97) Prescribed by OMB (Circular A -102) Page 2 Close Form Next Print Page About

OMB Number: 4040-0004 Expiration Date: 01/31/2009

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Application for Federal Assistance SF-424Version 02							
* 1. Type of Submiss	ion:	* 2. Type of Application:	*	Revision, select approp	priate letter(s):		
Preapplication		⊠ New					
Application		Continuation	* (ther (Specify)			
Changed/Corre	ected Application	Revision					
* 3. Date Received:		4. Applicant Identifier:					
08/05/2009							
5a. Federal Entity Ide	entifier:			* 5b. Federal Award Id	dentifier:		
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d. Address:							
* Street1:	1500 SW Arrow	head Rd.					
Street2:							
* City:	Topeka						
County:							
* State:				KS: Kansa	S		
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* Country:				USA: UNITED S	TATES		
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e. Organizational U	Jnit:						
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KANSAS CORPORA	TION COMMISSIO	N	11	N/A			
f. Name and contac	ct information of po	erson to be contacted on m	nati	ers involving this ap	oplication:		
Prefix: Mr.		* First Nam	ne:	Leo			$\neg \neg$
Middle Name:							
* Last Name: Hav	rnos						
Suffix:							
Title: Chief of Gas Operations & Pipeline Safety							
Organizational Affiliation:							
* Telephone Number	: 785-271-3278			Fax Numb	per: 785-271-3357		
*Email: 1.haynos@kcc.ks.gov							
	9						

Close Form Previous Next Print Page About

OMB Number: 4040-0004 Expiration Date: 01/31/2009

Application for Federal Assistance SF-424	Version 02
9. Type of Applicant 1: Select Applicant Type:	
A: State Government	
Type of Applicant 2: Select Applicant Type:	_
Type of Applicant 3: Select Applicant Type:	_
* Other (specify):	
* 10. Name of Federal Agency:	
Pipeline &Hazardous Material Safety Administration	
11. Catalog of Federal Domestic Assistance Number:	
20.720	
CFDA Title:	
Pipeline Safety	
* 12. Funding Opportunity Number:	
DTPH56-10-SN-0001	
* Title:	
State Damage Prevention Grants	
13. Competition Identification Number:	
Title:	
14. Areas Affected by Project (Cities, Counties, States, etc.):	
* 15. Descriptive Title of Applicant's Project:	
KANSAS CORPORATION COMMISSION State Damage Prevention	
Attach supporting documents as specified in agency instructions.	
Add Attachments Delete Attachments View Attachments	

OMB Number: 4040-0004 Expiration Date: 01/31/2009

Application for Federal Assistance SF-424					
* Applicant Federal Debt Delinquency Explanation					
The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.					

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,00 0 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

* APPLICANT'S ORGANIZATION						
KANSAS CORPORATION COMMISSION						
* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE						
Prefix: Ms. * First Name: Jackie	Middle Name:					
* Last Name: Montfoort-Paige	Suffix:					
* Title: Chief Financial Officer						
* SIGNATURE: Leo Haynos * DATE	E: 08/05/2009					





July 20, 2009

United States Department of Transportation Pipeline and Hazardous Materials Safety Administration Office of Contracts and Procurement (PHA-30) 1200 New Jersey Avenue SE, Room E22-103 Washington DC 20590

Attn: Warren Osterberg

RE: Authorization of the Kansas Corporation Commission to Serve as the Administrator for USDOT Funding Opportunity State Damage Prevention Program, Number: DTPH56-10-SN-0001

Dear Mr. Osterberg:

The Kansas Corporation Commission is hereby designated as the state agency authorized to submit applications for federal grants under the above captioned program. As required in the grant applications, the Corporation Commission is also authorized to provide the appropriate certifications necessary for the grant.

Should you have any questions regarding this matter, please contact Leo Haynos, KCC Chief of Gas Operations and Pipeline Safety at (785) 271-3278.

Sincerely yours,

Mark Parkinson

Governor of the State of Kansas

MP:SD:LH

STATE CORPORATION COMMISSION

JUL 17 2009

SUSAN K. DUFFY EXECUTIVE DIRECTOR